

Memorandum



Subject Telephone Interview With [REDACTED]
[REDACTED]

Date May 31, 1996

60-2096-0002

To Files

From Tara Sweeney

b 7D

DOJ: Nina Hale
Jill Ptacek
Cindy Alexander
Tara Sweeney

[REDACTED]

distribution: RWF, DNK, HALE, PTACEK, ALEXANDER - EAG, SWEENEY, JONES,
BEN-DAVID, CASE, CHRON, ARCHIVE

Page(s) 2-6

Exempt under b7D

products each year, the slotting fees cover the cost of setting up the products into the system and help cover losses if the products should fail. [REDACTED] b7D

[REDACTED]
mer, respon

[REDACTED]
Frito-Lay typically offered \$400 per square foot for shelf space when Eagle left the market. [REDACTED] explained that the up-front fee guarantees a profit and helps mitigate any costs of the product's failure. The customer will make one to two percent gross revenue up-front, which is a very important part of their overall revenues. Slotting fees for new items may be approximately [REDACTED] b4, b7D
for an up-front fee.

Exclusivity

He explains that they have had some experience of retailers discussing exclusivity. [REDACTED]

[REDACTED] b7D

[REDACTED]

[REDACTED]

[REDACTED]

It would be problematic if they were to lose one store because each store has a unique customer set. They seek wide availability for their products by media advertising. Each individual outlet is essential to their success. [REDACTED]

[REDACTED] He states that they would not be able to survive in the club stores alone, if they were pushed out of grocery stores. There has been a recent consolidation of American grocery retailers. Thirty-five stores in the country do approximately 60-70 percent of the business. If you add Kmart and Wal-Mart, they make up 85-90 percent of the business. He says in the DC/Baltimore area, Wal-Mart, Kmart, Giant, and Safeway do 80 percent of all retail business.

Page(s) 10

Exempt under b7D